# SECOND QUARTER REPORT 2007

## CROWN CORPORATIONS COUNCIL
A Manitoba Crown Corporation

1130-444 St. Mary Ave.
Winnipeg, Manitoba R3C 3T1
www.crowncc.mb.ca

# SECOND QUARTER REPORT 2007

## CROWN CORPORATIONS COUNCIL

**TABLE OF CONTENTS**


Letter of Transmittal ..... 1

Activities of the Council During the Quarter ..... 2

Submissions to Council ..... 2

Overview – Financial Statements ..... 3

Financial Statements ..... 4


Cette information existe également en français.

www.crowncc.mb.ca

# SECOND QUARTER REPORT 2007

## CROWN CORPORATIONS COUNCIL

### LETTER OF TRANSMITTAL

September 25, 2007

The Honourable Greg Selinger
Minister responsible for
Crown Corporations Council
Province of Manitoba
103 Legislative Building
Winnipeg, Manitoba
R3C OV8

Dear Minister:

The Council is required under the Crown Corporations Public Review and Accountability Act to provide a quarterly report. Enclosed is the Report for the three months ended June 30, 2007.

Yours truly,

Raymond Poirier
Chair

# SECOND QUARTER REPORT 2007

CROWN CORPORATIONS COUNCIL

## ACTIVITIES OF THE COUNCIL DURING THE QUARTER

Staff completed a review of Manitoba Centennial Centre Corporation. The review encompassed governance, corporate plans and strategic initiatives.

Council continued to discuss strategic planning aspects of Council's role and strategies necessary to fulfill its mandate.

## SUBMISSIONS TO COUNCIL

During the reporting period, no new submissions were made to Council.

## OVERVIEW

## CROWN CORPORATIONS COUNCIL

## FINANCIAL STATEMENTS

## FOR THE THREE MONTHS ENDED JUNE 30, 2007 (UNAUDITED)

Operating expenses are recovered from the Crown corporations through assessment of levies allocated on a pro rata basis determined by the revenues of each Crown corporation. The levies are recognized in these financial statements at the time the related costs are incurred.

Expenses for the three month period were slightly higher than last year primarily due to general salary increases and Board remuneration that reflected a vacant chair position.

## FINANCIAL STATEMENTS

**Balance Sheet**
**(unaudited)**

| | June 30 | |
|---|---|---|
| | **2007** | 2006 |
| **Assets** | (thousands of dollars) | |
| **Current:** | | |
| Cash | **$ 497** | $ 476 |
| Accounts receivable | **1** | 1 |
| | **498** | 477 |
| Capital assets (note 2) | **1** | 13 |
| | **$ 499** | $ 490 |
| **Liabilities and Reserve Reflecting Net Investment in Capital Assets** | | |
| **Current:** | | |
| Accounts payable and accrued liabilities | **$ 80** | $ 76 |
| Levies received in advance | **169** | 183 |
| Due to Manitoba Crown corporations | **99** | 96 |
| | **348** | 355 |
| **Retirement allowances and other benefits payable** | **150** | 122 |
| | **498** | 477 |
| **Reserve reflecting net investment in capital assets** | **1** | 13 |
| | **$ 499** | $ 490 |

## FINANCIAL STATEMENTS

**Statement of Income and Reserve Reflecting Net Investment in Capital Assets (unaudited)**

| | Six Months Ended June 30 | |
|---|---|---|
| | **2007** | 2006 |
| | (thousands of dollars) | |
| **Income** | | |
| Recoveries from corporations through levies | **$ 341** | $ 325 |
| Interest | **6** | 5 |
| | **347** | 330 |
| **Expenses** | **352** | 337 |
| **Excess of expenses over income** | **$ (5)** | $ (7) |
| **Reserve reflecting net investment in capital assets, beginning of period** | **6** | 20 |
| **Reserve reflecting net investment in capital assets, end of period** | **$ 1** | $ 13 |

**Notes to Financial Statements**
**June 30, 2007 (unaudited)**

## 1. Recoveries of expenses from Crown corporations

Operating expenses are recovered from the Crown corporations through the assessment of levies allocated on a pro rata basis determined by the revenues of each Crown corporation. The levies are recognized in these financial statements at the time the related costs are incurred. In addition, certain direct costs incurred on behalf of particular corporations are recovered directly from the respective Crown corporations.

## 2. Capital assets

These are comprised entirely of office furniture and equipment and computer equipment.

| | June 30 | |
|---|---|---|
| | **2007** | 2006 |
| | (in thousands of dollars) | |
| Cost | | |
| Office furniture and equipment | **$ 61** | $ 61 |
| Computer equipment | **46** | 46 |
| | **$107** | $107 |
| Accumulated depreciation | | |
| Office furniture and equipment | **$ 60** | $ 59 |
| Computer equipment | **46** | 35 |
| | **$106** | $ 94 |
| Net book value | **$ 1** | $ 13 |

## 3. Retirement allowances and other employee future benefits

The Council provides retirement allowance and pension benefits to its employees. Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by employees are charged to expenses as services are rendered. The costs are actuarially determined using the projected benefit method and reflect management's best estimates of the length of service, salary increases and ages at which employees will retire. In addition, adjustments arising from plan amendment, changes in assumptions, and the actuarial present value of the accrued entitlement as at January 1, 2000 are being amortized to expenses on a straight line basis over the expected average remaining service life of the employee group. Actuarial gains and losses are recognized in income immediately.

In addition, one employee is entitled to enhanced pension benefits. The plan is based on final pay and is indexed. The cost of the benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which the employee will retire.

## 4. Statement of cash flows

A statement of cash flows has not been presented in these financial statements as no additional useful information would be provided by its inclusion.